



Department of Justice

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JUSTICE DEPARTMENT RECOMMENDS APPROVAL OF VERIZON'S APPLICATION TO PROVIDE LONG DISTANCE SERVICES IN RHODE ISLAND

Department also Urges FCC to Carefully Review Pricing Issues

WASHINGTON, D.C. - The Department of Justice today recommended that the Federal Communications Commission (FCC) approve Verizon's application to provide long distance services in Rhode Island. At the same time, in response to some complaints from competitive local exchange carriers, the Department urged the FCC to carefully review Verizon's pricing of unbundled network elements.

"Competitors have made significant entry into local telecommunications markets in Rhode Island," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division. "The vast majority of Rhode Island customers now have a choice when it comes to deciding who will provide their local phone service."

According to the Department, the available evidence suggests that generally Verizon has succeeded in opening its local markets in Rhode Island to competition. The amount of entry by competitive facilities-based carriers and resellers in Rhode Island, as well as the absence of complaints regarding these modes of entry, led the Department to conclude that opportunities to serve business and residential customers by fully facilities-based carriers and resellers are available.

The Department also stated that while there is significantly less competition to serve customers by means of the UNE-platform, a combination of network elements, the Department does not believe there are any material non-price obstacles to competition in Rhode Island.

The Department provided its competitive analysis in an evaluation of Verizon's application to provide long distance services in Rhode Island under Section 271 of the Telecommunications Act of 1996.

Since the break-up of the integrated Bell system as part of the AT&T divestiture, the independent Bell Operating Companies, or BOCs, have been barred from providing long distance services in their respective regions, first as part of the divestiture decree, and now under the terms of the Telecommunications Act. Under Section 271 of the Act, a BOC, such as Verizon, may not provide in-region long distance services until it demonstrates to the FCC that it has met a variety of legal requirements designed to open the local telecommunications markets in a particular state to competition.

In considering whether to approve a BOC's application for long distance authority in a particular state, the FCC must consult with the Department of Justice and give "substantial weight" to its assessment of competitive conditions and whether the BOC should be allowed to provide in-region long distance services.

Verizon filed its application with the FCC on November 26, 2001. Under the terms of the Act, the FCC must approve or deny the application within 90 days. A copy of the Department's evaluation will be available at: <http://www.usdoj.gov/atr/public/comments/sec271/sec271.htm>.

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